



Keeping Michigan consumers safe and informed!

Attorney General Bill Schuette's **CONSUMER EDUCATION**

National Consumer Protection Week

March 6-12, 2016 is National Consumer Protection Week. During this week, featured partners (including the Michigan Department of Attorney General) encourage citizens to take advantage of their consumer rights and make better informed decisions.

This newsletter will take you on a ride around "Scam Avenue." We'll make a few stops on our drive where you'll learn the science of scams, uncover reoccurring scammer characteristics, and hear about how the federal government trimmed one scamming couple's assets when their bogus weight loss products were found to violate consumer protection laws. Finally, last month we shared with you the top 10 scams most commonly tracked by the Better Business Bureau; this month, we're sharing the top ten complaints reported to the Michigan Attorney General Consumer Protection Division.

Buckle up and enjoy the ride!



- Credit/Financial Concerns
- Telecommunications/
Cable/Satellite TV
- Retail
- Motor Vehicle/
Automobile
- Internet
- Personal Service Provider
- Landlord/Tenant
- Gasoline/Fuel/Energy
- Contractors
- Health Service Providers

Science of Scams

It seems the media is constantly reporting on the latest scam(s) affecting citizens. While the names may change, the tactics rarely do. Scammers are excellent manipulators and know which heart strings to tug when working their scam. In almost every scam, efforts are made to play on three emotions: fear, greed, and generosity.

1. **Fear** – Loved ones are our prized possessions, and we would do anything to help them. Fear for a loved one's safety could make it easier to fall for a grandparent/emergency scam.

2. **Greed** – Who doesn't want to win the lottery or a sweepstakes? Keep in mind, foreign lotteries are illegal!

3. **Generosity** – Michiganders are exceptionally generous when given the opportunity to help their neighbors whether at home or abroad. Under Michigan law most charities that solicit donations are required to register with the Department of Attorney General. So, before donating, make sure you've done your research. A charitable organization's registration and financial information is available day or night on the Attorney General's website.

Now that we're aware of the emotional motivating factors, let's cover the strategies included in almost all scams.

1. **Trust** - A scammer's top priority is to gain your trust. They may ask general get-to-know-you questions so that you'll be more willing to open up. Or they may have reviewed your social media accounts and learned all about your family, likes, and daily activities. **It's important to not over share online.**

2. **Credible** - Scammers use many techniques to appear reputable. They may claim to be calling from a government agency; used fake caller identification; create a copy-cat website; or provide fake identification or certification.

3. **Emotions** – Scammers offer these opportunities for a limited and rushed time frame. They're hoping you'll simply agree and not take the time to think or talk with a trusted friend or family member.

4. **Reciprocity** – Watch out for scammers who make it seem like they're doing you a favor (e.g. percentage off if you buy right now, etc.) by providing this deal. Their goal is to get you to feel guilty or obligated so that you'll take part of the scam.

Source: Consumer Reports

Spot a Scam Artist Do you Know the Signs?

Now that you are aware of the three scam motivating factors, is there also a way you can know what individuals that commit fraud "look like?" Yes, it is possible.

The following behavioral and personality traits will help you evaluate an individual with clearer insight. Ask yourself, does the person:

- Suffer from addictions or face desperate times either at work or home?



Desperate situations may make individuals more susceptible to alleged benefits of operating a fraud.

- Live, or wish to live, beyond their means? If an individual has expensive taste, but not the budget to match, they may be tempted to find ways to achieve their "dream."
- Always have a guaranteed idea/product? The pressure created from a "guaranteed" scam may push people to continue or expand the scheme.
- Always answer questions with another question? Looking to not give away the fraud, they may choose to avoid the question all together

by deflecting with another question.

- Speak in noncommittal or vague statements? By being vague, dishonest people can modify their statements without directly contradicting the original statement.
- Make an oath or promise? Statements such as "I promise," "on my honor," or "money-back guarantee" may appear more often when communicating with a dishonest person.

For additional signs and suggestions visit the Detroit Free Press' "The anatomy of a fraudster" or Fraud's Magazine's "The 10 Tell-Tale Signs of Deception."

Scammers to Surrender Assets

More often than not, scammers are not brought to justice. However, this was not the case earlier this year, when Maine's Direct Alternatives and Original Organics LLC were charged with violating the Federal Trade Commission (FTC) Act and consumer protection laws in connection with their weight-loss products AF Plus and Final Trim. Within four years, they sold more than \$16 million worth of products to consumers desperate for a weight-loss solution.



The business owners were ordered to surrender assets of more than \$1.5 million, which included a vacation home, investments, retirement accounts, life insurance policies, a boat, snowmobiles, and diamond earrings.


You also have an opportunity to bring scammers to justice. If you spot a fraud, report it to the FTC or the Michigan Consumer Protection Division.

Source: FTC

March Madness – Secure Tickets Safely

With March Madness kicking off in a couple of weeks, there's no better time than now to review how to safely purchase tickets online.



- Know your vendor – the NCAA has an official website for purchasing tickets.
- Review your vendor's guarantee policy – Respectable vendors and members of the National Association of Ticket Brokers (NATB) guarantee every ticket sold on their site and will replace them if necessary.
- Use secure websites – When purchasing tickets look for "https" or the lock icon.  <https>
- Pay with a credit card – By using a credit card, users are able to dispute charges in the event something goes wrong with the purchase.
- Read the fine print – Some events require buyers to be present and provide the purchasing card; which can make it difficult to transfer tickets. The NCAA has an official ticket exchange website.

Additional information and suggestions for purchasing online tickets can be found the Better Business Bureau (BBB) or the Attorney General's Online Ticket Purchasing Consumer Alert.

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